

PREPARED BY: Phil Hovis
 DATE PREPARED: February 5, 1999
 PHONE: 471-0057

LB 187

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *

	FY 1999-2000		FY 2000-2001	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS	5,622,139 [A]	5,622,139 [A]	5,622,139	5,622,139
FEDERAL FUNDS				
OTHER FUNDS	(5,622,139) [A]	(5,622,139) [A]	(5,622,139)	(5,622,139)
TOTAL FUNDS	0	0	0	0

*Does not include impact on political subdivisions. See narrative for political subdivision estimates.

Of the money received from the operation of lottery games conducted pursuant to the State Lottery Act and remaining after the payment of prizes and operating expenses, current law provides that 49.5% of this amount is to be credited to the Nebraska Environmental Trust Fund. LB 187 would reduce this proportion credited to the Nebraska Environmental Trust Fund to 19.5% and would provide that 30% of lottery revenue net of prizes and operating expenses be credited to the Building Renewal Allocation Fund, a cash fund administered by the Task Force for Building Renewal. Amounts credited to the Building Renewal Allocation Fund would be generally limited in their use (per Sec. 81-179) to finance building renewal projects under the Deferred Building Renewal Act.

The following table illustrates an estimated annualized impact of the change in distribution of net lottery proceeds proposed in LB 187. Annualized estimates are based upon actual FY 97-98 distributions as outlined in the *Nebraska Lottery 1998 Annual Report*.

Estimated Distribution of Annual Lottery Proceeds Net of Prizes & Operating Expenses

	Current Law		LB 187 Proposed		Change
	Percent	Dollars	Percent	Dollars	Dollars
Education Innovation Fund	49.5%	\$9,276,529	49.5%	\$9,276,529	0
Environmental Trust Fund	49.5%	9,276,529	19.5%	3,654,390	(5,622,139)
Compulsive Gamblers Assistance Fund	1.0%	187,404	1.0%	187,404	0
Building Renewal Allocation Fund	0.0%	0	30.0%	5,622,139	5,622,139
Total	100.0%	\$18,740,462	100.0%	\$18,740,462	0

(A) The bill specifies no effective date for the change in distribution and does not include an emergency clause; therefore, it is not possible to precisely predict when the change in distribution would occur. However, the change would not occur prior to late FY 98-99 or later than early FY99-00.